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AUTHOR Conway, Ernest J.: And Others
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ABSTRACT

An operations audit was conducted for a school district. The purpose of the audit was to determine the organization of the central office and reorganize its structure and staff as appropriate to clearly define goals and objectives, specify roles and responsibilities, eliminate wasted or duplicated efforts, and functionally define operational work units. The audit was carried out through a series of interviews and surveys with a sample of administrative, professional, and clerical staff from all central office departments and district schools. Documents and routing procedures were also critically analyzed. Recommendations included: (1) organization of the central office staff along functionally related lines: (2) creation of a strong planning, evaluation, and training function (PET): (3) merger of several operating units: (4) creation of new middle management positions: (5) elevation of the role of data processing to include a district management information system: (6) creation of a permanent district-wide steering committee to assist in planning: (7) revitalize the maintenance, operations, and transportation structure: (8) creation of a new associate superintendent's position to head PET: (9) adjustment of staffing levels tied to attrition: and (10) completion of a three year plan to implement the changes. (Author/RL)

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MANAGEMENT AND OPERATIONS AUDITING

A Business Oriented Management Structure For a Unified School District

CANYON RESEARCH GROUP, INC.
741 Lakefield Road, Suite B
Westlake Village, CA 91361

Ernest J. Conway
Thomas R. Mann, Ph.D.
Jayne Schurick

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ABSTRACT

An operations audit was conducted for a school district. The purpose of the audit was to determine the organization of the Central Office and reorganize its structure and staff as appropriate to clearly define goals and objectives, specify roles and responsibilities, eliminate wasted or duplicated efforts, and functionally define operational work units. The audit was carried out through a series of interviews and surveys with a sample of administrative, professional, and clerical staff from all Central Office departments and district schools. Documents and routing procedures were also critically analyzed. The results indicated a number of organizational weaknesses to which specific recommendations were addressed.

MANAGEMENT AND OPERATIONS AUDITING

A Business Oriented Management Structure For a Unified School District

Auditing has long been a method employed by management in industry to ascertain the condition or health of a business. Until relatively recently, these audits consisted exclusively of verification of a firm's financial status. Over the last two decades, however, business and industry have increased their use of the control technique known as management or operations auditing. These "internal" audits have had demonstrated payoff in assisting companies in short-term and long-term planning. This success is demonstrated by the fact that an estimated 70% of all larger companies use management auditing.

A management or operations audit is a formal, systematic review by qualified individuals to determine the extent to which an organization, or a department, functions according to prescribed procedures and is achieving the goals established by management.

As this definition suggests, management audits are performed to determine:

1. What an organization/department/individual is actually doing while performing his/her job related tasks.

2. What that unit or individual should be doing with respect to mandated responsibilities, procedures or practices.

3. Where discrepancies exist and, if possible, the reason(s) for these discrepancies.

4. What changes can be recommended to:

    a. Correct the unit/individual's performance to bring it in line with organizational objectives.

    b. Change the organizational structure itself to adhere more closely to stated objectives.

In this period of growing concern over fiscal restrictions, increasing/conflicting mandates, and pressure for accountability, school district administrators and school boards are having to examine the organizational efficiency and effectiveness of district staffs. With money becoming scarce, school districts are having to more effectively organize themselves in order to meet objectives and respond to increasing pressures with their existing staffs. Likewise, they are having to identify and begin implementing a variety of operational economies, in order to stretch district dollars even further.

Canyon Research Group, Inc. was recently contracted by a unified school district to conduct just such a management or operations audit for its Central Office staff. Specifically, Canyon was charged with:

1. Examining District Office personnel structure and staffing.

2. Review/analyze function and task allocations.

3. Assess the allocation of staff and line responsibilities.

4. Review the functional organization of the district with respect to goals and mandates.

5. Recommend restructuring as required.

The specific departments or units included in this audit were:

1. The Business Office including:

   a. Accounting

   b. Purchasing

   c. Payroll

   d. Data Processing

   e. Food Service

2. The Personnel Office.

3. The Educational Services Department including:

   a. Consolidated Projects

   b. Psychological Services

   c. Curriculum and Instructional Services

   d. Child Welfare and Attendance

   e. Special Programs

   f. Special Education

4. Maintenance Department

5. Operations Department

6. Transportation Department

7. The Superintendent's Office

8. The Board of Education.

The design of the management audit for this district was developed with the following objectives in mind:

1. Institutional participation in the study via a district-wide Steering Committee.

2. The use of multiple data collection procedures and instruments to minimize institutional/individual biases and to insure reliability of results.

3. The elicitation of quantitative and qualitative information.

4. The application of quantitative and qualitative information to recommendations for Central Office reorganization.

Figure 1 presents an overview of the methodology of this audit. Specific tasks included:

1. Initial briefing of Board of Education and district personnel.

2. Formation of a representative district-wide Steering Committee including:

   a. A Board member

   b. Member of the Cabinet

   c. Representatives of middle management

   d. Secretarial/clerical staff

   e. Representatives from each Central Office department.

   f. Teachers.

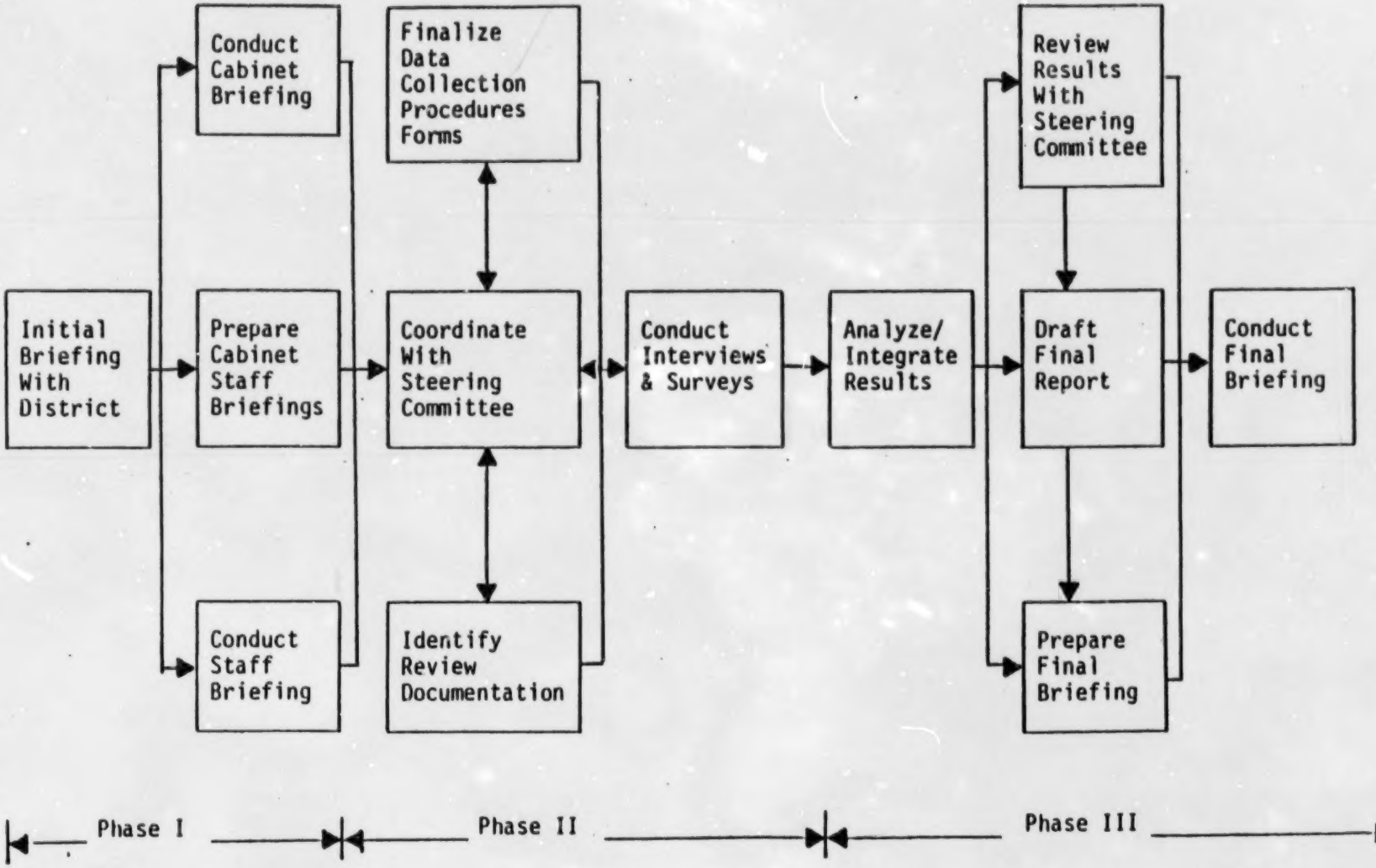
   g. Others as appropriate.

3. Collection of data through:

   a. Informal interviews with management team and department head staff. The purpose was to collect general information on the organization of Central Office departments, the style of management used and ways of evaluating staff. Questions were asked to determine what strengths and weaknesses exist within the work unit, department, or district as a whole. Possible solutions or suggestions were also solicited.

   b. Surveys of Central Office and school personnel, including administrative, professional, and clerical staff. The survey consisted of a series of statements concerning the organization, structure, and support offered by the Central Office. Individuals rated these items and responded to several open-ended questions about specific problems and recommended solutions.

   c. Interviews with Central Office and school personnel. Interviews were selected based on Steering Committee recommendations. The school site interviews were conducted to assess the perspectives of site personnel and the impact of services provided by the Central Office. Questions centered around the definition of roles and responsibilities, specification of goals and objectives,



Overview of Technical Approach

support offered and services received from the Central Office, and staffing levels. Interviews with Central Office staff further defined the problems and offered potential solutions.

d. Collection and review of relevant documents, budgets, etc. The purpose of this was to examine the flow of paperwork, particularly purchase orders and requests for services to eliminate wasted efforts and/or duplication.

4. Data analysis:

   a. Computer analysis using packaged programs.

   b. Qualitative analysis of open-ended responses.

5. Draft Final Report and review of the Report by the District Steering Committee.

6. Presentation of the Report to the full Board of Education.

The results of the audit indicated a number of organizational weaknesses within the Central Office structure. These included:

1. Lack of a systematic process for defining district and department goals/objectives. That is, no formal planning process existed.

2. Lack of systematic criteria against which to compare district and department performance.

3. Lack of effective individual guidance or performance measurement.

4. Inappropriate allocation of functions and responsibilities across the district and among staff members.

5. A serious breakdown in communications across the district.

6. Lack of any type of management control over the collection, handling and reporting of information.

7. Lack of any meaningful method of evaluating the educational value or the workload impact of state or federally funded programs.

8. The presence of semi-autonomous operating units/departments structured for their own convenience and failing to respond to district-wide needs.

9. Inadequate in-service and skill training for both certificated and classified staff and no formal function for the identification of training needs.

10. Lack of adequately trained personnel to effectively interface with certificated and classified bargaining units.

11. Poorly defined roles for many personnel within the Central Office structure.

12. Suboptimal utilization of the district's data processing capabilities.

13. Lack of basic management and planning skills among key staff members.

14. Inadequate numbers of middle management level personnel needed to supervise workers.

15. Inappropriate utilization of professional staff members and resources.

16. Duplication of efforts due to lack of unit and individual coordination.

The objectives of this project included an assessment of current District organization and current Central Office staffing levels. To accomplish the above, however, assumes a basic foundation of organizational goals and objectives against which to make these evaluations. Is the organization adequate to meet what goals? Is the staffing level adequate in terms of what objectives? Is the performance of the current staff acceptable in terms of what performance criteria? The above provide the baseline against which organizational and staffing level studies are compared.

A series of organizational, functional, and procedural changes were suggested to assist the District in:

1. Establishing a clearly defined direction for the District, the various departments and units, and the schools within the District.

2. Developing yardsticks against which to measure progress towards these goals.

3. Improve operational efficiencies so that more District energies and resources can be focused on the District's primary purpose: the delivery of educational services.

4. Achieving operating economies so necessary in these times of rising prices and diminishing funding.

5. Enhance the work environment for all concerned.

If one looks at that which the District does, it is in the business of delivering services. Any such business should have the following functional capabilities:

1. Planning and Evaluation - to define organizational and user needs, to define goals and objectives geared to satisfying these needs, and to evaluate the effectiveness of the services delivered.

2. Training - to identify, design and implement programs to upgrade employee skills in areas where evaluation data suggests improvement is necessary.

3. Personnel Function - to select, train, place and evaluate the people in the organization relative to meeting the above objectives.

4. Product Development - to develop the packages of services to be delivered, to implement these packages and to assist end users in incorporating them in daily use.

5. Business Management - to plan budgets, track costs and evaluate cost-effectiveness of various units working towards the organizational objectives.

6. Support Services - to provide the technical and logistical services necessary to keep the organization moving toward the objectives.

7. Management Information System - to collect, integrate and economically output organization-wide data necessary to run the system and to provide decision-makers with the data necessary to make sound, operationally-based decisions.

The following changes were recommended to help the District organize and coordinate the Central Office:

1. The organization of the Central Office staff along functionally related lines including the transfer of certain functions or units to other departments.

2. The creation of a strong planning, evaluation and training function charged with district-wide and program-wide planning, evaluation and training functions and reporting directly to an Associate Superintendent.

3. The merger of several operating units within several departments to minimize duplication.

4. The creation of several new middle management positions to supervise the above merged units.

5. The elevation of the role of data processing within the district and the charging of D.P. with the design and implementation of a comprehensive and effective District Management Information System.

6. The creation of a permanent district-wide Steering Committee to assist the Superintendent and the Planning Office in the establishment of district goals, objectives, milestones and implementation plans.

7. The revitalization of the Maintenance, Operations and Transportation structure in order to enhance coordination, increase quality control procedures and decrease paperwork loads.

8. The creation of a new Associate Superintendent's position to assume responsibility for district planning, evaluation and training functions.

9. The adjustment of certain staffing levels tied to normal attrition (e.g., retirements, transfers, dismissals, etc.).

10. The completion of three year plan to accomplish the above changes and to establish a more business like management structure across the district.